

TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 2 — 0 0 0

2. STATE:

South Carolina

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2002

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

7. FEDERAL BUDGET IMPACT:

a. FFY ~~03-04~~ 03 \$ 12.800b. FFY ~~04-05~~ 04 \$ 12.800Pen & Inc
chg auth
by e-mail

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 2a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Page 2a

10. SUBJECT OF AMENDMENT:

To increase specialty care providers to 75% of Medicare, thereby, bringing these providers
up to reimbursement currently paid to primary care providers!

11. GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☐ OTHER, AS SPECIFIED:

Viggo R. Chas. 10/2/02

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

William A. Prince

14. TITLE:

Director

15. DATE SUBMITTED:

September 25, 2002

16. RETURN TO:

South Carolina Department of Health and
Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206

17. DATE RECEIVED:

October 7, 2002

18. DATE APPROVED:

December 24, 2002

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2002

20. SIGNATURE OF REGIONAL OFFICIAL:

Renard L. Murray for Rhonda R. Cottrell

21. TYPED NAME:

Rhonda R. Cottrell

22. TITLE:

Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

Physician Therapy, Occupational Therapy and Psychological Services:

These services include physical therapy services, occupational therapy services and psychological testing, evaluation and counseling services and are reimbursed at an established fee schedule based on cost or by the methodologies set forth in other sections of the Plan.

Nursing Services for Children Under 21:

Initial reimbursement to providers of nursing services for children under the age of 21 is made on the basis of an established fee schedule not to exceed the prevailing charges in the locality for comparable services under comparable circumstances. Reimbursement will be provided on a unit of a quarter of an hour basis for skilled nursing services and a per encounter basis for medication administration and other similar procedures. The current reimbursement rates are based on rates or fees reimbursed for similar services.

State and local government providers must submit annual actual cost and service delivery data. The State shall utilize Medicare reasonable cost principles as well as OMB Circular A-87 and other OMB circulars as may be appropriate during its review of actual allowable costs. Future reimbursement rates to state and local government providers shall be the lesser of actual allowable documented cost or the established fee.

4.c Family Planning Services and Supplies:

Family Planning Services are reimbursed at an established fee schedule based on cost or by the methodologies set forth in other sections of the Plan.

5. Physician Services:

Reimbursement for physicians services will be the amount calculated by using a State agency determined percentage of the Medicare Resource Based Relative Value System (RBRVS) Fee Schedule, or the amount calculated by using a payment schedule based upon the relative value of each procedure code multiplied by a conversion factor assigned by the State Agency, or lesser of actual charge. Relative values are based on those established for the Medicare RBRVS. For those procedures not having a relative value, reimbursement is based on data collected within the Medicaid Management Information System or by a review conducted by medical personnel to establish the relative value. The percentage and/or the conversion factor will be reviewed annually prior to the close of each State fiscal year. Updates to the payment schedule may be targeted to specific procedure codes or ranges of procedure codes. Some of the considerations for targeting updates are: ensuring provider participation, eliminating inequities with the system, ensuring providers recover out-of-pocket expenses, etc. The payment schedule is applied uniformly to all reimbursement without consideration to locality or specialty of the physician. Nurse practitioners will continue to receive reimbursement at 80 percent of the physician's rate.

Effective January 1, 2001, pediatric sub-specialist providers will receive an enhanced Medicaid rate for evaluation & management and medical &

SC: MA 02-005
EFFECTIVE DATE: 10/01/02
RO APPROVAL: 12/24/02
SUPERSEDES: MA 01-019